


City of Alexandria, Virginia

MEMORANDUM

27
6-14-05

DATE: JUNE 6, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: APPROPRIATION ORDINANCE FOR FISCAL YEAR 2006

ISSUE: Consideration of an Appropriation Ordinance to make appropriations for the support of the government of the City of Alexandria, Virginia for the Fiscal Year (FY) 2006.

RECOMMENDATION: That City Council pass the Ordinance on first reading and schedule it for public hearing, second reading, and final passage on Tuesday, June 21, 2005.

DISCUSSION: On May 2, 2005, City Council approved the FY 2006 General Fund Budget and adopted an ordinance setting the City's real property and personal property tax rate for calendar year (CY) 2005. In accordance with sections 6.07 and 6.14 of the City Charter, an ordinance is also annually required to appropriate the Approved Operating and Capital Budgets. This ordinance contains the appropriation of the adopted operating budget, the reappropriation of expected encumbrances, the transfer of recordation tax to the new Affordable Housing Special Revenue Fund; and an appropriation from the Special Revenue Fund for new grants.

ADOPTED OPERATING BUDGET: Sections 1 - 9 of the attached Appropriations Ordinance legally establishes the revenues and expenditures of the FY 2006 budget. As detailed in section 7 of the attached ordinance, a significant portion of the General Fund's revenues are transferred to other funds and component units, principally to finance operations of the Alexandria City Public Schools. The total expenditure appropriation must be reduced by the amount of these transfers (referred to as "Interfund Transfers") to eliminate double counting and accurately reflect the aggregate expenditure appropriations. Of the \$2,760,185 in revenues to be received from the 1¢ real estate tax dedication for open space, \$889,407 will remain in the General Fund to make debt service payments for the \$10 million borrowed in FY 2005 for open space acquisition.

REAPPROPRIATION OF PROJECTED ENCUMBRANCES: Section 10 of the attached proposed appropriation ordinance reappropriates monies authorized and expected to be obligated in FY 2005 but not expected to be expended as of June 30, 2005. By City Charter, all appropriations lapse at the end of the fiscal year. When budgeted goods and services are ordered prior to the end of the previous fiscal year, but not delivered until the next fiscal year, monies need to be reappropriated to cover the expenditures paid in the current fiscal year. This ordinance was previously introduced in the fall after the City completed the year end closing process.

Waiting until October requires departments to use current year budget for prior year commitments, or to expend funds against accounts with zero balance appropriations. In order to improve City fiscal management this year, as a new process, staff recommends these encumbrances be authorized now based on estimates of preliminary encumbrances. The final encumbrance amount that is carried over from FY 2005 into FY 2006 may be lower or higher than this amount. However, the final encumbrance amount that is carried over into FY 2006, unless Council adjusts this appropriation action this coming October, cannot exceed the appropriated amount of \$6,420,000 for General Fund obligations authorized in this ordinance.

AFFORDABLE HOUSING FUND: With the new 1¢ dedication of real estate tax revenues to affordable housing, and with Council's setting affordable housing as a top City priority, starting with the FY 2006 budget, a new Affordable Housing Fund is being created. This new Fund will include City General Fund support for housing, the new 1¢ in dedicated real estate tax revenues, federal CDBG and HOME revenues, as well as Housing Trust Fund monies. While all of these programs will keep their separate identities and separate accounting, the City will have a more visible single comprehensive Fund to budget and manage all affordable housing monies. For FY 2006, the Fund starts with \$7,443,703. In the October reappropriation ordinance, City and Housing Trust Fund carryover monies will be added to this new Fund.

TRANSFER OF RECORDATION TAX: Section 11 authorizes the appropriation and transfer of the \$889,815 recordation tax to the Affordable Housing Fund. In order to keep the proposed new funds for affordable housing at \$3.65 million, after dedicating one cent of the real estate tax rate for affordable housing Council left \$889,815 of FY 2006 recordation funds in the budget for affordable housing. City Council authorized the use of \$889,815 of the City's total recordation tax revenues for affordable housing purposes. This section of the ordinance establishes the budget authority for the transfer of this tax to the Affordable Housing Fund.

NEW GRANTS: Section 12, which is new, pre-appropriates and authorizes new grants. During the year, departments apply for and receive approval for new State and federal grant funding not known or anticipated when Council initially approves the annual budget. This ordinance contains \$1,000,000 in Special Revenue Fund contingent grant reserves that can be allocated by the Office of Management and Budget to the grant-receiving department when Council approves a new or increased grant, instead of departments having to wait months for a separate reappropriation ordinance. This pre-appropriation of future additional grant revenues will allow the allocation and posting in the City's accounting system of grants on a more timely basis and enable departments to better be able to manage their grants. It will also create internal process efficiencies. Staff will amend the fiscal impact statements of each new grant application docket item in order to reflect the funding for new grants from this Special Revenue Fund contingent reserves upon receipt of the grant approval from the State or federal government.

FISCAL IMPACT: This Ordinance authorizes the receipt and expenditure of \$621,687,086 for FY 2006 in the following funds (\$613,377,271 in sections 1-9 and \$8,309,815 in sections 10-12):

Section 1 to Section 9

General Fund	\$ 467,829,951
Special Revenue Fund	72,568,072
Housing Special Revenue Fund	6,553,885
Capital Projects Fund	67,811,626
Equipment Replacement Internal Service Fund	4,045,973
Schools	183,182,138
Library	6,830,234
Alexandria Transit Company	8,768,000
Less: Interfund Transfers	<u>(204,212,413)</u>
TOTAL	<u>\$ 613,377,271</u>

The amounts listed for the Alexandria Transit Company, the Schools, and the Library represent their total budgets, including the City's General Fund appropriation to each agency and any fee revenue (such as farebox revenue for the Alexandria Transit Company), grants, State aid or other revenues that are part of the total budgets. By the City Charter, Council must appropriate all monies, including those for the Alexandria Transit Company, irrespective of the source. The "Less: Interfund Transfers" line backs out dollars counted both in the General Fund figure and each of the agency budgets for the City's appropriation to these individual agencies.

Section 10	Reappropriation of monies encumbered as of June 30, 2005	\$6,420,000
Section 11	Transfer of Recordation Tax	\$889,815
Section 12	Appropriation of Grant Contingency	\$1,000,000

ATTACHMENT: Appropriation Ordinance

STAFF:

Mark Jinks, Assistant City Manager

D. A. Neckel, Director of Finance

Bruce Johnson, Director, Office of Management and Budget

Laura Triggs, Deputy Director of Finance/Comptroller

Introduction and first reading:	06/14/05
Public hearing:	06/21/05
Second reading and enactment:	06/21/05

INFORMATION ON PROPOSED ORDINANCE

Title

AN ORDINANCE making provision for the support of the government of the City of Alexandria, Virginia, for fiscal year 2006.

Summary

The proposed ordinance appropriates funds for the operation of the city government in fiscal year 2006.

Sponsor

Staff

Daniel A. Neckel, Director of Finance
Ignacio B. Pessoa, City Attorney
Roderick B. Williams, Assistant City Attorney

Authority

§ 2.02(c), Alexandria City Charter

Estimated Costs of Implementation

None

Attachments in Addition to Proposed Ordinance and its Attachments (if any)

None

ORDINANCE NO. _____

AN ORDINANCE making appropriations for the support of the government of the City of Alexandria, Virginia, for fiscal year 2006.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That, pursuant to section 6.07 of the city charter, the sum of \$613,377,271 be, and the same hereby is, appropriated for the support of the government of the City of Alexandria in the fiscal year beginning on the first day of July 2005 and ending on the thirtieth day of June 2006.

Section 2. That, pursuant to section 6.07 of the city charter, the sum of \$613,377,271 appropriated in section 1 of this ordinance for the support of the government of the City of Alexandria in the fiscal year beginning on the first day of July 2005 and ending on the thirtieth day of June 2006 be, and the same hereby is, further appropriated to the following city departments, major operating units, component units and major categories of expenditures in the amounts set forth below:

<u>Department/Unit/Component Unit/ Category of Expenditure</u>	<u>Appropriation</u>
18 th Circuit Court	\$ 1,250,395
18 th General District Court	83,792
18 th Juvenile Court	33,273
Citizens Assistance	661,102
City Attorney	2,338,305
City Clerk and Clerk of Council	338,143
City Council	540,521
City Manager	2,051,412
Clerk of Court	1,540,725
Commonwealth's Attorney	2,696,797
Contingent Reserves	376,500
Court Services Unit	1,372,204
Economic Development	2,694,336
Finance	8,115,684
Fire	32,977,381
General Debt Service	27,970,953
General Service	11,152,745
Health	6,350,693
Human Rights	548,380
Human Services	47,283,046

1	Human Services Contributions	\$ 2,327,181
2	Information Technology Services	7,326,123
3	Internal Audit	200,520
4	Law Library	138,598
5	Mental Health/Mental Retardation/Substance Abuse	26,435,559
6	Non-Departmental	10,947,114
7	Office of Historical Alexandria	2,716,047
8	Office of Housing	6,553,885
9	Office of Management and Budget	1,015,329
10	Office on Women	1,660,574
11	Other Correctional Activities	4,356,564
12	Other Educational Activities	12,990
13	Other Health Activities	988,400
14	Personnel	2,860,163
15	Planning & Zoning	3,920,003
16	Police	45,564,023
17	Real Estate Assessments	1,268,167
18	Recreation, Parks & Cultural Activities	18,631,665
19	Registrar of Voters	1,004,622
20	Sheriff	22,109,033
21	Transit Subsidies	14,913,697
22	Transportation and Environmental Services	26,180,656
23	Capital Projects	67,811,626
24	Component Unit-Library	6,830,234
25	Component Unit-Schools	183,182,138
26	Internal Services	<u>4,045,973</u>
27		
28	TOTAL APPROPRIATIONS	<u>\$ 613,377,271</u>

Section 3. That, pursuant to section 6.07 of the city charter, the sum of \$613,377,271 appropriated in section 1 of this ordinance for the support of the City of Alexandria in the fiscal year beginning on the first day of July 2005 and ending on the thirtieth day of June 2005 be, and the same hereby is, further appropriated to the following principal objects of city expenditures:

<u>Object of Expenditures</u>	<u>Appropriation</u>
Personnel Service	\$ 197,829,453
Non-Personnel Services	144,357,525
Capital Outlay	552,322

Component Unit-Library	\$ 6,830,234
Component Unit-Schools	183,182,138
Component Unit-Alexandria Transit Company	8,768,000
Equipment Replacement	4,045,973
Capital Projects	<u>67,811,626</u>
TOTAL APPROPRIATIONS	<u>\$ 613,377,271</u>

Section 4. That the sum of \$613,377,271 appropriated in section 1 of this ordinance for the support of the government of the City of Alexandria in the fiscal year beginning on the first day of July 2005 and ending on the thirtieth day of June 2006 is estimated to be derived from the following sources of revenue:

<u>Source of Revenue</u>	<u>Amount</u>
General Property Taxes	\$ 284,556,796
Other Local Taxes	105,259,185
Permits, Fees and Licenses	8,332,533
Fines and Forfeitures	3,877,000
Intergovernmental Revenue	125,260,726
Charges for Services	21,697,269
Revenue from Use of Money and Property	7,996,763
Miscellaneous Revenue	1,847,215
Bond Proceeds - Future Sale	38,660,738
Unreserved Fund Balance - General Fund: Subsequent Year's Budget as Designated	9,062,890
Schools' Fund Balance	2,934,475
Retained Earnings - Internal Services	<u>3,891,681</u>
TOTAL ESTIMATED REVENUE	<u>\$ 613,377,271</u>

Section 5. That, pursuant to section 6.14 of the city charter, the sum of \$67,811,626 be, and the same hereby is, appropriated for capital improvement project expenditures of the City of Alexandria and the Alexandria City Public Schools in the fiscal year beginning on the first day of July 2005 and ending on the thirtieth day of June 2006. This sum, which consists of the \$67,811,626 appropriated as Capital Projects in section 2 of this ordinance, is appropriated as follows: (i) \$39,255,753 to capital projects which are included in the city's government fiscal year 2005-2010 capital improvement program adopted by city council on May 2, 2005, (ii) \$26,685,095 to the capital projects identified in the Alexandria City Public Schools' capital budget approved by the school board on February 17, 2005, and (iii) \$1,870,778 for the Open Space Trust Fund Account.

Section 6. That the sum of \$67,811,626 appropriated in section 5 of this ordinance for capital improvement project expenditures of the City of Alexandria and the Alexandria City Public Schools in the fiscal year beginning on the first day of July 2005 and ending on the thirtieth day of June 2006 is estimated to be derived from the following sources of revenue:

<u>Source of Revenue</u>	<u>Amount</u>
Transfer In from General Fund	\$ 18,859,735
Permits, Fees and Licenses	3,679,000
Bond Interest Earnings	1,879,263
Designated General Fund Balance	4,732,890
Bond Proceeds - Future Sale	<u>38,660,738</u>
TOTAL ESTIMATED REVENUE	<u>\$ 67,811,626</u>

Section 7. That the sum of \$202,979,195 be, and the same hereby is, authorized to be transferred between the following funds maintained by the city, as set forth below:

<u>From</u>	<u>Amount</u>	<u>To</u>	<u>Amount</u>
General Fund	\$ 29,386,071	Special Revenue Fund - General	\$ 29,386,071
General Fund	3,199,822	Special Revenue Fund - Affordable Housing	3,199,822
General Fund	18,859,735	Capital Projects Fund	18,859,735
General Fund	138,753,138	Component Unit-Schools	138,753,138
General Fund	6,342,000	Component Unit-Alexandria Transit Company	6,342,000
General Fund	<u>6,438,429</u>	Component Unit-Library	<u>6,438,429</u>
TOTALS	<u>\$ 202,979,195</u>	TOTALS	<u>\$ 202,979,195</u>

Section 8. That the sum of \$613,377,271 appropriated in section 1 of this ordinance for the support of the government of the City of Alexandria in the fiscal year beginning on the first day of July 2005 and ending on the thirtieth day of June 2006 is, for accounting purposes and in accordance with generally accepted accounting principles, attributed, for each city department, major operating unit, component unit and major category of expenditure, to the funds maintained by the city as shown in Table I on the following page of this ordinance.

Section 9. That the sum of \$613,377,271 appropriated in section 1 of this ordinance for the support of the government of the City of Alexandria in the fiscal year beginning on the first day of July 2005 and ending on the thirtieth day of June 2006 is, for accounting purposes and in accordance with generally accepted accounting principles, attributed, for each major source of revenue, to the funds maintained by the city as shown in Table II on the following page

of this ordinance.

Section 10. That the Council of the City of Alexandria, Virginia, does hereby make provision for and appropriation to the funds hereafter named the amounts required to defray the expenditures and liabilities of the city for which commitments were established in the form of encumbrances or otherwise on or before June 30, 2005, but which are payable in fiscal year 2006, and for which amounts were appropriated but not expended in fiscal year 2005, and further that the council does hereby allot the amounts so appropriated to the several city departments for fiscal year 2006, as follows:

GENERAL FUND

City Manager	\$ 4,000
Citizen Assistance	32,000
Office of Management & Budget	3,000
Commonwealth's Attorney	4,000
Sheriff	243,000
Other Correctional Activities	1,000
Information and Technology Services	592,000
Finance	757,000
Real Estate Assessment	1,000
Personnel	91,000
Planning and Zoning	273,000
Registrar Voters	5,000
General Services	385,000
Transportation and Environmental Services	1,333,000
Transit Subsidies	201,000
Fire	77,000
Police	341,000
Health	5,000
Human Services	601,000
Office of Historic Alexandria	18,000
Recreation and Cultural Activities	453,000
Non-Departmental	<u>1,000,000</u>
Total General Fund	<u>\$ 6,420,000</u>

Section 11. That the Council of the City of Alexandria, Virginia, does hereby make provision for and appropriate to the funds hereafter named the amount hereafter stated that is required to defray certain expenditures and liabilities of the city for fiscal year 2006, the source of such amount being Recordation Tax revenue, and further, that the Council does hereby allot

the amount so appropriated for fiscal year 2006 as follows:

GENERAL FUND

ESTIMATED REVENUE:

Recordation Tax Revenues	\$ 889,815
Total Estimated Revenues	<u>\$ 889,815</u>

APPROPRIATION:

Transfer Out to Housing Special Revenue Fund	\$ 889,815
Total Appropriation	<u>\$ 889,815</u>

AFFORDABLE HOUSING SPECIAL REVENUE

ESTIMATED REVENUE:

Transfer In From General Fund	\$ 889,815
Total Estimated Revenue	<u>\$ 889,815</u>

APPROPRIATION:

Housing	\$ 889,815
Total Appropriation	<u>\$ 889,815</u>

Section 12. That the Council of the City of Alexandria, Virginia, does hereby make provision for and appropriate to the fund hereafter named the amount hereafter stated that is required to defray certain expenditures and liabilities of the city for fiscal year 2006, the source of such amount being Intergovernmental revenue, and further, that the Council does hereby allot the amount so appropriated for fiscal year 2006 as follows:

SPECIAL REVENUE

ESTIMATED REVENUE:

Intergovernmental Revenues	\$ 1,000,000
Total Estimated Revenue	<u>\$ 1,000,000</u>

APPROPRIATION:

Non Departmental	\$ 1,000,000
Total Appropriation	<u>\$ 1,000,000</u>

Section 13. That this ordinance shall become effective upon the date and at the time of its final passage.

WILLIAM D. EUILLE
Mayor

Introduction:	06/14/05
First Reading:	06/14/05
Publication:	
Public Hearing:	
Second Reading:	
Final Passage:	

TABLE I

Department	General Fund	Housing Special Revenue Fund	Other Special Revenue Fund	Capital Projects	Internal Service Fund: Equipment Replacement	Component Units			Total
						Schools	Library	Alexandria Transit Co.	
18th Circuit Court	\$ 1,250,395	\$	\$	\$	\$	\$	\$	\$	\$ 1,250,395
18th General District Court	83,792								83,792
18th Juvenile Court	33,273								33,273
Citizens Assistance	655,702		5,400						661,102
City Attorney	2,338,305								2,338,305
City Clerk and Clerk of the Council	338,143								338,143
City Council	540,521								540,521
City Manager	2,051,412								2,051,412
Clerk of Courts	1,540,725								1,540,725
Commonwealth's Attorney	2,322,346		374,451						2,696,797
Contingent Reserves	376,500								376,500
Court Services Unit	964,536		407,668						1,372,204
Economic Development	2,694,336								2,694,336
Finance	8,115,684								8,115,684
Fire	31,988,218		989,163						32,977,381
General Debt Service	27,970,953								27,970,953
General Services	11,152,745								11,152,745
Health	6,350,693								6,350,693
Human Rights	522,901		25,479						548,380
Human Services	8,045,361		39,237,685						47,283,046
Human Services Contributions	2,327,181								2,327,181
Information Technology Services	7,326,123								7,326,123
Internal Audit	200,520								200,520
Law Library			138,598						138,598
Mental Health/Mental Retardation/ Substance Abuse	509,400								509,400
Non-Departmental	9,947,114		25,926,159						26,435,559
Office of Historic Alexandria	2,445,365		1,000,000						10,947,114
Office of Housing	1,233,413		270,682						2,716,047
Office of Management and Budget	1,015,329	5,320,472							6,553,885
Office on Women	1,176,227								1,015,329
Other Correctional Activities	4,158,231		484,347						1,660,574
Other Educational Activities	12,990		198,333						4,356,564
Other Health Services	988,400								12,990
Personnel	2,854,163		6,000						988,400
Planning and Zoning	3,920,003								2,860,163
Police	44,825,906		738,117						3,920,003
Real Estate Assessments	1,268,167								45,564,023
Recreation and Cultural Activities	18,244,705		386,960						1,268,167
Registrar of Voters	1,004,622								18,631,665
Sheriff	21,262,729		846,304						1,004,622
Transit Subsidies	6,145,697							8,768,000	22,109,033
Transportation and Environmental Services	24,647,930		1,532,726						14,913,697
Capital Improvement				67,811,626					26,180,656
Component Unit - Library							6,830,234		67,811,626
Component Unit - Schools						183,182,138			6,830,234
Internal Service					4,045,973				183,182,138
		\$ 5,320,472	\$ 72,568,072	\$ 67,811,626	\$ 4,045,973	\$ 183,182,138	\$ 6,830,234	\$ 8,768,000	\$ 4,045,973
TOTAL	\$ 264,850,756	\$	\$	\$	\$	\$	\$	\$	\$ 613,377,271

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T A B L E II

Source of Revenue	General Fund	Other Special Revenue Fund	Capital Projects	Internal Service Fund: Equipment Replacement	Component Units			Total
					Schools	Library	Alexandria Transit Co.	
General Property Taxes	\$ 284,556,796	\$		\$			\$	\$ 284,556,796
Other Local Taxes	105,259,185							105,259,185
Permits, Privilege Fees and Licenses	3,422,000	1,231,533	3,679,000					8,332,533
Fines and Forfeitures	3,877,000							3,877,000
Intergovernmental Revenue	47,666,400	37,767,958			39,628,808	197,560		125,260,726
Charges for Services	12,158,717	5,712,498		154,292	1,051,517	194,245	2,426,000	21,697,269
Revenue from Use of Money and Property	6,099,500	6,000	1,879,263		12,000			7,996,763
Miscellaneous Revenue	460,353	584,662	38,660,738		802,200			1,847,215
Bond Proceeds								38,660,738
Unreserved Fund Balance - General Fund	4,330,000		4,732,890					9,062,890
Capital Projects Fund								0
Schools-General Fund					2,934,475			2,934,475
Retained Earnings - Internal Service Fund				3,891,681				3,891,681
TOTAL	\$ 467,829,951	\$ 45,302,651	\$ 48,951,891	\$ 4,045,973	\$ 44,429,000	\$ 391,805	\$ 2,426,000	\$ 613,377,271